

AMENDED IN SENATE JUNE 27, 2000
AMENDED IN ASSEMBLY MARCH 23, 2000

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 1848

Introduced by Assembly Member Maddox

February 7, 2000

An act to add Section 11580.17 to the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1848, as amended, Maddox. Insurance.

Existing law makes no provision for companies to inspect a motor vehicle prior to the issuance of insurance coverage for the vehicle.

This bill would ~~allow~~ *provide that the department shall not prohibit* insurance companies ~~to inspect~~ *from inspecting* a motor vehicle prior to issuing collision or comprehensive coverage for the vehicle. *The bill would require an insurer conducting these inspections to inspect every motor vehicle for which coverage is requested except new motor vehicles and motor vehicles previously insured.*

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 11580.17 is added to the
2 Insurance Code, to read:

3 ~~11580.17. No provision of this code shall be construed~~
4 11580.17. *The department shall not prohibit an*
5 *insurer from electing to inspect physically a motor*
6 *vehicle for purposes of issuing a policy for collision or*
7 *comprehensive coverage. The inspection of the motor*
8 *vehicle shall be at no cost to the insured. The information*
9 *ascertained from that inspection may only be used to*
10 *determine the extent of insurability for collision or*
11 *comprehensive coverage for the motor vehicle. If an*
12 *insurer elects to conduct an inspection prior to offering*
13 *comprehensive and collision insurance pursuant to this*
14 *section, the insurer shall inspect every motor vehicle for*
15 *which coverage is requested if the vehicle was not*
16 *previously insured under a policy of comprehensive and*
17 *collision coverage. An insurer may exempt from this*
18 *requirement new motor vehicles if a copy of the sales*
19 *contract is delivered to the insurer within five business*
20 *days of the purchase of the new motor vehicle. The*
21 *inspection shall be done by the insurer or its agent, and*
22 *shall be performed not more than 20 miles from the*
23 *address where the vehicle is insured, and during normal*
24 *business hours.*
25 ~~to prohibit an insurer from electing to inspect physically~~
26 ~~a motor vehicle for which collision or comprehensive~~
27 ~~coverage is to be provided. The inspection of the motor~~
28 ~~vehicle shall be at no cost to the insured. The information~~
29 ~~ascertained from that inspection may only be used to~~
30 ~~determine the extent of insurability for collision or~~
31 ~~comprehensive coverage for the motor vehicle.~~